

Americans Abroad: A Disillusioned Diaspora?

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By Amanda Klekowski von Koppenfels

Diaspora engagement has reached new heights as governments around the world increasingly seek to achieve tighter bonds with their citizens abroad, encouraging them to become more engaged with their country of birth. Their efforts include encouraging the sending of financial remittances, extending the right to vote to their citizens resident abroad, and facilitating dual citizenship.

The overarching concern of diaspora policy has been that of the broader contributions diasporas can make to the country of origin. Great emphasis has been placed on the economic potential of diasporas to contribute to development via remittances—financial support that typically goes directly to the household level. The focus on the diaspora often emerges only when there is a significant difference in economic strength between sending and receiving countries or when a potential brain drain is detected, as in the case of New Zealand's recent outreach efforts. At the same time, however, there is a growing recognition of the soft power potential of diaspora members as cultural bridge builders. This recognition is not yet as widespread as it could be: even as the U.S. government focuses its diaspora policy on engagement with immigrants and their offspring resident within the United States, it has paid little heed to its own diaspora of—by its own accounting—more than seven million overseas U.S. citizens. In fact, many overseas Americans feel that recent financial reporting requirements unfairly target them as tax cheats and criminals. And indeed, this much-criticized policy may have contributed to the motivations of some to consider renouncing their U.S. citizenship.

Based on a survey of 1,400 U.S. citizens and 140 former U.S. citizens living in 70 countries outside the United States (primarily resident in Canada and European countries) administered in December 2014 and January 2015, this article examines sentiments among the overseas American community relating to a perceived lack of recognition by the U.S. government of the potential contributions of the American diaspora. The article explores the widespread self-perception that Americans abroad serve as unofficial ambassadors for their country, and a growing sense of frustration and disillusionment among a subset of those overseas Americans in light of the implementation of new financial reporting regulations.

Defining Diaspora

Diaspora—originally meaning a people scattered to multiple countries, holding on to both a collective memory of their home country and a wish to return there—has evolved as a term. Strong linkages, whether emotional or concrete political, social, cultural, and/or economic ties, have always been a key component, but today, the term is often used to refer to any migrant population. Diaspora engagement might also be referred to as migrant transnationalism, which broadly implies the actions that diaspora members engage in and/or that the countries of origin undertake vis-à-vis their diasporas, and that link migrants' societies of origin and destination.

Diaspora Engagement amid Shifting Perceptions

Diasporas have long been seen as important sources of information for foreign policy, while engagement has often been linked with development. Diaspora outreach is now slowly being extended to new areas. Diasporas send not only financial but social remittances, and can play a more far-reaching role in business networking and as cultural ambassadors, increasing soft power engagement for their origin countries.

Diaspora engagement shifts and changes over time. Countries known for intense diaspora engagement today—such as Morocco and Mexico—once regarded their absent countrymen as deserters or traitors. In more recent years, migrant-sending countries have come to regard their diasporas as a national resource, ramping up efforts to mobilize and engage them in order to increase benefits to the state. Diaspora engagement can take many forms, shaped by the relationship between the state and its overseas population. Sociologists Paolo Boccagni, Jean-Michel Lafleur, and Peggy Levitt have, for instance, identified three modes of relationships between states and their diasporas: 1) the *disinterested and denouncing state* that disregards its diaspora or even sees it in a negative light; 2) the *transnational nation state* that considers emigrants as long-term and far-distant members and may develop national policy based on a reliance on transnational contributions; and 3) the *strategic, selective state* that encourages engagement, but seeks to manage the actions of migrants. While a state might be disinterested at one stage, it can—and states often do—shift to a transnational or strategic position later on.

While most countries focus diaspora policy outward, toward their own nationals abroad, the United States' role has been rather as a key actor in facilitating the dialogue between sending nations and their diasporas. Among other initiatives, the International diaspora Engagement Alliance (IdEA) is sponsored in part by the U.S. Department of State to support economic and social development in origin countries via collaborative, diaspora-initiated projects. Numerous activities and networking tools include business competitions and technical assistance and training. At heart, the IdEA initiative demonstrates recognition by the U.S. government of the soft power value of international diaspora communities within the United States, and the need to tap into their ability to engender positive relations via development projects.

Given the range of diaspora outreach and engagement programs initiated by sending countries around the world, the United States remains a conspicuous absence as its understanding of the diaspora as a useful resource does not seem to be extended to overseas U.S. citizens. With a population of 7.6 million according to State Department estimates (the highest of a range of estimates by other organizations), Americans living across the world are not the largest of global diasporas, but, based on this estimate, are equivalent to roughly 2.6 percent of the resident U.S.-citizen population.

Although the United States engages in considerable interaction with Americans outside the country, it does not have an explicit diaspora outreach policy. In addition to the financing of cultural exchange and international understanding programs with the rest of the world, there is substantial support for Americans who are overseas for short periods, for example on study abroad and cultural, professional, and business exchange programs. More broadly, consular services provide a wide variety of assistance to U.S. citizens abroad: the State Department's Bureau of Consular Affairs notes that its priority is to "protect the lives and interests of U.S. citizens abroad." Overseas

Americans can draw on consular services to provide voter registration information, register births abroad, assist with marriage abroad or in the case of death, destitution, or crime. Consular services also include issuing passports and of course providing assistance in any emergency situation in the country. The State Department, through the position of the cultural attaché, also often provides financial support for cultural activities—such as art exhibits or concerts—by American artists based overseas.

Overall, however, the primary focus is on interactions with Americans who are overseas temporarily, and not those who are longer-term residents abroad; direct contact with the diaspora is thus largely limited to consular services. The State Department, through embassies and consulates, often engages with the diaspora on an ad hoc basis, but there has been no explicit and coordinated outreach to an American overseas population that is more permanently abroad. This lack of focused outreach to—and appreciation of—the diaspora is felt by many, as reflected in this survey respondent's comment:

I feel that the U.S. government does not appreciate the value of American citizens living abroad and the benefits that are derived for the U.S. and the U.S. economy.

Another respondent involved in an overseas American organization elaborated:

It's natural [for overseas Americans] to expect that the attitude of consular officers towards Americans living overseas will be extra positive. That's the expectation and in fact, what they get very often is you're no different from anybody else.

Two explanations might shed some light on this business-as-usual approach: first, the United States' self-understanding as an immigration, rather than emigration, country. This could well play a role in affecting the focus of the U.S. population and its government—on U.S. citizens temporarily abroad, rather than those who are longer-term or permanent residents overseas. Second, despite recent changes and shifts in policy in many countries, the focus on diaspora contributions in general remains strongly economic, seen in a development context. From this perspective, the contributions of a U.S. diaspora would perhaps be limited, yet members of the overseas American diaspora themselves highlight the potential soft power and cultural bridge-building role they could play, as this survey respondent noted:

I think that dual citizens are an untapped resource to not only be tolerated, but to be valued and promoted as furthering the interests of their respective countries as a function of their conscience. The country that values them actively is the country which will earn their loyalty and service.

This, however, would require a shift in self-identification in the United States, acknowledging that it is not only a country of immigration, but also—like many countries across the world—has a substantial diaspora. Similar shifts in identity have occurred elsewhere, for instance European countries such as Italy or Germany, which once had a strong self-identity as emigration countries and now have become immigration countries.

Informal Ambassadors

In addition to substantive contributions such as remittances and skills transfers, diasporas act as a potential cultural force: a group of individuals who counteract negative stereotypes or help build a country's scope of influence and reputation. It is in this manner, as well as in business networking, that the American diaspora feels it makes a strong contribution to the United States, as this respondent noted:

I think we Americans living abroad play a much more important role in building cultural bridges than we are given credit for. All due respect to diplomats, but I have been informally representing my country abroad for almost 20 years.

Many countries have begun to rely on their diasporas to advance their geopolitical and reputational interests abroad. For example, Turkey engages its large population in Europe in its agenda to develop closer relations with the European Union. Based on their survey responses, many Americans abroad have chosen to take on such a role without government prompting; the feeling of being an unofficial ambassador was widespread. Often clearly identified as Americans, overseas citizens are questioned—sometimes confronted—about U.S. policy. As one survey respondent who had lived outside the United States for more than 20 years said:

Americans living abroad should be considered as unpaid U.S. ambassadors since we are the ones who interact with the local population on a daily basis. U.S. embassy personnel are here only temporarily but we are the ones that can best tell America's story in their own language.

The overarching viewpoint was that overseas Americans are doing important work, with a subsection of those feeling that they are neither acknowledged nor appreciated by the U.S. government. Several respondents felt that there is an assumption of disloyalty by the simple fact of living outside of the United States, as this person noted:

The United States opts to treat their expats in ways that no other modern nation does. Most nations acknowledge the value of their expat population. The U.S. sees us all as traitors, tax evaders, and as throw away citizens.

Many overseas Americans remain engaged with the United States on a number of measures. Sixty-eight percent of survey respondents said they voted in the November 2012 presidential elections and 60 percent reported visiting the United States twice or more in the past two years. In contrast, just 15 percent said they had not visited in the past two years. Of the 35 percent of respondents who have lived 20 years or more in their current countries of residence, one-third reported voting in November 2012. When asked if they identify as “American,” more than 90 percent of respondents said they do, some strongly, some less so. This diminishes only slightly with time; as this person noted: “Even after living overseas for 14 years, I still feel very American and have a strong sense of pride in my country. I actually feel I appreciate it much more.”

Diasporic linkages in terms of political engagement, return visits, and identity clearly exist, despite the fact that 65 percent said they are unlikely or very unlikely to return to live permanently in the United States. In short, this is a group of long-term, even permanent migrants with persisting diasporic ties.

“Tax Cheats or Fugitives”

Overseas Americans’ positive desire to act as representatives for the United States has, however, been dented by Congress’ passage of the Foreign Account Tax Compliance Act (FATCA) in 2010, and its entry into force in 2014. FATCA, intended to address tax evasion among U.S. citizens resident in the United States with foreign bank accounts, requires that, above a certain limit, individuals must report all foreign financial accounts, including bank, investment, and pension funds to the Internal Revenue Service (IRS). The law’s backers argue that it will help bring in large sums to the U.S. Treasury by cracking down on offshore tax evasion. Max Baucus, the former Democratic senator from Montana who sponsored the bill, said FATCA is critical “for the IRS to have the resources it needs to root out tax cheats.” Overseas Americans were not the target of the law. However, some overseas Americans have interpreted the law as being based on an assumption in the United States that, as one respondent noted, “No American voluntarily lives abroad for long periods of time unless they are tax cheats or fugitives.” Another respondent agreed:

As an American expat, I feel little support from the government, and indeed often feel as if I am being penalized or criminalized (by things like FATCA) for living overseas. I don't feel as if expats have a voice in the government.

Foreign banks are also required to report their U.S. customers’ holdings to the IRS—resulting in banks increasingly closing the accounts of so-called U.S. persons.

Of respondents who are married (66 percent), three-quarters are married to non-U.S. citizens—individuals whose worldwide income is not subject to U.S. taxation. FATCA requirements to report all accounts over which an American has signing authority effectively result in reporting of the non-U.S. spouse’s income to the United States, especially for those who are either nonworking or whose income is lower than that of their non-U.S. spouse. In some cases, this has led to serious family problems:

My non-U.S. husband does not wish to reveal his personal bank information and I really do not think my government has a right to ask him for it. ... So shall I lie to the government, divorce my husband, or give up my citizenship?

At the same time, other legislation allows U.S.-based financial services to deny accounts to U.S. citizens with no U.S. address. Some overseas Americans thus may be unable to contribute to a pension program either in the United States or in their country of residence, as happened to this respondent:

I am unable to contribute to my IRA because the contributions would be coming from a foreign bank account. It is dumber than dumb and makes me embarrassed when policy without thought touches people who are completely on the up and up and just working and living and in fact being goodwill ambassadors. I am tired of defending stuff that makes no sense.

Respondents emphasized that they are Americans who just happen to be living overseas. They reject the characterization as a tax cheat or a “fat cat.” One-third of respondents moved abroad to be with a partner, followed by nearly 27 percent who moved for employment. These individuals have felt increasingly alienated from their home country. Furthermore, some respondents believe that the U.S. government has a fundamental misunderstanding of who overseas Americans are:

The U.S. seems to have very little understanding of its citizens living outside the States, consequently they seem to have very little respect for us.

No Taxation without Representation

In the 1960s, a group of Americans in Paris fought for the right to vote, ultimately achieved in 1975, in time for the 1976 presidential election. Parallel grassroots efforts to facilitate the transmission of U.S. citizenship for children born abroad to Americans were also successful as the U.S. government demonstrated a selective, strategic approach toward its diaspora. With the right to vote and to transmit U.S. citizenship, overseas civilians effectively became part of the U.S. polity, and their votes have been sought by presidential candidates in succeeding elections.

To achieve their aims, the activists of the 1960s and 1970s felt they had to demonstrate that, first, they identified as American and, second, they did not correspond to long-held negative stereotypes of overseas Americans—that they are anti-American, or tax- or draft-evaders, for instance. Today, however, many overseas Americans feel that a shift has occurred, with FATCA and other recent regulations affecting them in a restrictive rather than, as in earlier years, an expansive way. Overseas Americans subject to the initiatives commonly report feeling vilified. From their perspective, these legislative changes indicate the retreat of the strategic and selective state, instead emphasizing the disinterested and denouncing nature of the U.S. state-diaspora relationship.

Representation

One of the most common mentions in the survey was that of a perceived lack of representation. Overseas Americans' right to vote in presidential and congressional elections—in the state of their last residence in the United States—remains in place. However, given the nature of FATCA, which is felt to target Americans abroad as a group, a number of respondents said they strongly feel the lack of direct representation for overseas Americans (which some countries, including Algeria, France, Italy, Portugal, and Tunisia, have granted their diaspora members in their legislative bodies.) As one respondent declared:

American residents abroad need representation in Congress. There are 6 million of us, and it is wrong that we do not have a political voice.

Indeed, one of the most-mentioned remedies for the lacking “acknowledgement” by the United States was through the election of representatives of overseas Americans and support and assistance for filing of taxes, coping with closed bank accounts, and more. According to this respondent:

There seems to be no representation of our viewpoints, positions, or interests—and little done to support us as Americans abroad. It would seem to me that the U.S. State Department would be better served to embrace the American expat community within their activities. Our contact with the U.S. is usually through the embassy or consulate in the country which we reside. Yet we are not seen as members of the U.S. community, actually treated as foreign clients within these agencies.

Another drew an explicit connection between a perceived lack of representation as a bloc and an intentional focus on overseas Americans in taxation:

It seems they have forgotten about no taxation without representation, and are targeting expats because they know we have no voice.

In the 1960s, the struggle was for each individual to have a voice; today, in part thanks to the FATCA legislation, representation is sought for the American overseas community at large. A number of respondents spoke of the perspective of the United States toward “us”, clearly indicating a sense of collective identity as overseas Americans.

Among respondents in France, which has dedicated representatives for its overseas citizens in both the National Assembly and the Senate, the concern about lack of representation was particularly strong, as one survey respondent argued: “France is fundamentally a more democratic country because it provides elected representation in its Parliament for French citizens who live abroad.” The perceived shift to a disinterested, denouncing state is clearly visible.

From Goodwill Ambassadors to Former Citizens

The feeling of a lack of representation, lack of recognition of their role as unofficial ambassadors, and anger over the very real daily impacts of FATCA, add up to a potent mix of negative sentiment towards the United States for some. The United States has seen an increasing trend of citizenship renunciation, from 731 in 2009 to 3,415 in 2014, and 1,335 in the first quarter of 2015. Some 31 percent of survey respondents noted they are actively thinking of renouncing, and 3 percent said they are in the process of doing so. To be clear, this scenario cannot account for all renunciations, but may certainly be a key element in explaining the recent uptick. It should be noted that those who renounce remain only a small percentage of the estimated 7.6 million overseas Americans.

The combination of these factors has two related effects: first, some who feel they are targeted make an explicit decision to renounce their U.S. citizenship and, second, both for those who do renounce and for many who do not, the positive role of the U.S. diaspora is evaporating. As this former U.S. citizen said:

Previously, I saw myself as an unofficial representative of the U.S., helping to develop networks, make contact, foster business. I no longer make an effort to promote American interests generally, either on a personal level or business level.

Similarly, this person, living overseas for more than 20 years with only a passing thought of citizenship renunciation, said:

What the U.S. government doesn't get is that this turns all of us U.S. expats who used to be goodwill ambassadors abroad into people who voice their dislike of their home country, i.e. the polar opposite of goodwill ambassadors.

At the same time, however, it is important that the significance of the recent increase in renunciations not be exaggerated—many overseas Americans continue to strongly identify as Americans, as this survey respondent noted:

From what I've seen, U.S. citizens who live abroad, regardless of their political affiliation, seem to be very proud of their country. More so than people in the same situation but with different nationalities.

There is clearly an identifiable trend toward renunciation in which FATCA seems to play a key role, yet many also share this alternative perspective:

I find it tragic that many Americans living abroad are finding it necessary to give up their U.S. citizenship based upon primarily taxation and banking problems.

Towards an Engagement Agenda

While most overseas Americans remain positive about the United States and continue to identify as Americans, often with great pride, there is a substantial and growing subset who have become disillusioned with the lack of positive outreach, compounded by the passage of legislation they perceive as unfairly targeting them. The U.S. case illustrates the value of diaspora engagement—absent proactive positive outreach, perceptions and attitudes can shift. With the passage of onerous legislation, some of the survey respondents who self-identified as unofficial ambassadors suffered a crisis of faith, turning away from a desire to promote U.S. interests abroad.

Overseas American organizations have been lobbying against FATCA from its passage, with Republicans Overseas calling for a repeal and Democrats Abroad, American Citizens Abroad (ACA), and the Association of Americans Resident Overseas (AARO) calling for reform—all of whom feel that FATCA’s “unintended consequences,” as ACA describes it, are substantial. A reform or repeal of FATCA would go a long way to appeasing the overseas American population, who were not the intended target of the law.

Further, a diaspora engagement policy acknowledging overseas Americans’ contributions as informal ambassadors, and drawing on their local knowledge and networks in a coordinated and proactive way, could have an even stronger impact. Despite the engagement of the bipartisan 22-member strong congressional Americans Abroad Caucus on issues relating to the U.S. diaspora, a more robust representation for overseas Americans in the U.S. Congress would strengthen ties and similarly address many of the population’s concerns.

Many survey respondents noted that they did not feel they were “valued” by the United States. This missing acknowledgement was often explicitly linked to a lacking recognition of the role overseas Americans feel they play as informal ambassadors and network and bridge builders. Public statements by U.S. government representatives expressing respect and acknowledging the value of the American diaspora would be welcomed and, symbolic though it might be, address perhaps even the most significant of overseas Americans’ concerns.

Fundamentally, many overseas Americans feel they can contribute and offer resources valuable to the U.S. government. Although American Chambers of Commerce abroad have a mandate to create and strengthen business links between host countries and the United States, there is room for overseas Americans to also play a role in strengthening networks and business opportunities. The opportunity to draw on the U.S. diaspora remains, but requires a proactive diaspora policy and positive engagement from the United States.

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